



City of Bloomington  
Common Council

Legislative Packet

05 January 2011

*Organizational Meeting*  
*immediately followed by*  
*Committee of the Whole*

Office of the Common Council  
P.O. Box 100  
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## **Packet Related Material**

### **Memo**

### **Agenda**

### **Calendar**

### **Notices and Agendas:**

*None*

### **Material Related to Action at Organizational Meeting:**

- List of Council Positions - Officers, Appointments, and Assignments for 2011 (*blank*)
- List of Council Positions - Officers, Appointments, and Assignments for 2010
- List of Interview Committee Assignments in 2011 (*blank*)
- List of Interview Committee Assignments in 2010 (*typically kept same for the entire term, unless there is a new Council member or commission*)
- Council Member Seating Chart for 2004 – 2010 & 2011 (*blank*)

### **Legislation for Final Action:**

*None*

### **Legislation and Background Material for First Reading:**

**Res 11-01** To Approve “The City of Bloomington Tax Abatement Program General Standards” Which Amends and Supersedes All Former Versions of the City’s Tax Abatement Program Criteria and Procedures

- Memo from Danise Alano Martin, Director, and Adam Wason, Assistant Director for Small Business and Sustainable Development, Economic and Sustainable Development Department;

#### **Tax Abatement Program:**

- General Standards
- Appendix 1 – Examples of Project Eligibility

- Appendix 2 – Excerpts from IC 6-1.1-12.1-5.9: Determination of substantial compliance with statement of benefits; notice of non-compliance; hearing; resolution; appeal
- Draft of Program Description for Potential Applicants – Real Estate or Personal Property Tax Abatement Application Procedure and Review
- Current Tax Abatement Criteria and Procedure

Contact: Danise Alano Martin at 349-3418 or alanod@bloomington.in.gov

**Minutes from Regular Session:**

*None*

**Memo**

**Organizational Meeting and Committee of the Whole  
on Wednesday, January 5<sup>th</sup>**

The Council will hold an Organizational Meeting immediately followed by a Committee of the Whole on Wednesday, January 5, 2011. The Organizational Meeting is the occasion when the Council conducts elections and appoints members to boards and commissions and the President assigns seating and members to serve on Council Committees. It is also begins the first legislative cycle of 2011 by introducing one ordinance which is contained in this packet and will be discussed at the Committee of the Whole immediately following the Organizational Meeting.

**Group Photo on January 19, 2011:** The Council Photo on the webpage should be changed to reflect any changes in Council Officers. Please let Dan or Stacy Jane know whether you will be available either before or after the Regular Session on January 19<sup>th</sup> for a brief photo session.

**Organizational Meeting -  
Elections, Appointments and Assignments**

The Organizational Meeting is the time for the Council to hold elections and make appointments and for the new President to make assignments. These actions typically occur in the following order:

- The Council elects officers – President, Vice President, and Parliamentarian (and the outgoing President is presented with the gavel);
- The new officers are seated and the new President assigns seating for rest of the Council members (*Please note that any two Council members who wish to*

*switch seats may do so by written request to the Council President (BMC 2.04.110) ;*

- The Council appoints Council members to various boards and commissions; and
- The President assigns to Council members to Council committees.

Please see the attached sheets for appointments, assignments, and seating – which include last year’s decisions and blank forms for this year’s decisions.

### **Appointments to the Historic Preservation Commission**

On November 29<sup>th</sup>, the Mayor made three appointments to the Historic Preservation Commission (actually reappointments of Danielle Bachant-Bell, Marjorie Hudgins, and Marleen Newman). Unlike appointments to other boards and commission, these appointments must be approved by the Common Council. (See BMC 2.16.010[c] [1]) These three reappointments are ready for your approval Wednesday night. Please note that the Council may and has appointed non-voting members to this commission pursuant to BMC 2.16.010 [c] [2].

### **Item for Introduction at Organizational Meeting and Discussion at the Committee of the Whole**

**Res 11-01** approves new Tax Abatement General Standards that replace all former versions of the tax abatement program Criteria and Procedures. The current Criteria and Procedures are approximately 17 years old and no longer reflect current city policies nor current state law. This summary is based upon the memo and general standards provided by Danise Alano Martin, Director, and Adam Wason, Assistant Director for Small Business and Sustainable Development, Economic and Sustainable Development Department, as well as a review of relevant statutes and past actions by the Council.

The memo highlights three changes between the current Tax Abatement Criteria and Procedures and proposed General Standards. The General Standards:

- “Align the program more closely with the long-term economic and sustainable development vision of the City;
- Allow the City to respond quickly to changes in Indiana Code; and
- Add clarity to the program’s compliance requirements.”

## Tax Abatement Program

IC 6-1.1-12.1 authorizes localities<sup>1</sup> to grant tax abatements under which improvements to real estate and the installation of certain equipment located in properties designated as Economic Revitalization Areas (ERAs)<sup>2</sup> and, for certain uses, as an Economic Development Target Areas (EDTAs)<sup>3</sup> as well, receive a deduction in taxes over a period of as much as 10 years.

For a little over 30 years<sup>4</sup> the City has granted tax abatements and for about 25 years<sup>5</sup> it has had a formal program which supplemented statutory requirements with criteria and procedures that addressed local circumstances. That program is authorized by statute, which allows localities to adopt general standards for designating an ERA as long as those standards do not conflict with the statutory ones and bear a “reasonable relationship to the development objectives” of the locality.<sup>6</sup> This includes the power to impose reasonable conditions relating to the purpose of the statute and the general standards, as long as this power is declared in the initial resolution approving the ERA and Statement of Benefits.<sup>7</sup>

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<sup>1</sup> This tax abatement program should be distinguished from the automatic, 10-year tax abatements the State allows for certain investment with Urban Enterprise Zones.

<sup>2</sup> IC 6-1.1-12.1-1(1) defines an Economic Revitalization Area as “an area within the corporate limits of a city ... which has become undesirable for, or impossible of, normal development or occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent normal development of property or use of property... (It) also includes (A) any area where a facility or group of facilities that are technologically, economically, or energy obsolete are located and where obsolescence may lead to a decline in employment and tax revenues...”

<sup>3</sup> Economic Development Target Areas offer tax deductions for uses – certain retail and certain residential uses – that would not otherwise be eligible for them. They are established after a favorable recommendation of the Economic Development Commission and the passage of an ordinance by the Council and are limited to no more than 15% of total geographic territory. They require a determination that the area: (1) satisfies the definition of an ERA or 2) qualifies as a historic district, site or property under certain authorities. IC 6-1.1-12.1-7

<sup>4</sup> The first reference to a tax abatement that I could find was Res 80-15, which designated the B.F. Goodrich/Sarkes Tarzian Property on Hillside Drive as an Urban Development Area (UDA). The UDA was the precursor designation to the current ERA. In the next three years, other UDAs were designated for the Ken Nunn Office Building at NE corner of 4<sup>th</sup> and College (by Res 82-18), the Wick’s Property on West 6<sup>th</sup> (by Res 82-16), the Robert D. Jones property at SE corner of 4<sup>th</sup> and Walnut (by Res 83-07) and the Bynum Office Supply at SE corner of 8<sup>th</sup> and Walnut (by Res 83-05).

<sup>5</sup> The program first began in 1986, after a committee of the Council met with the Redevelopment staff to develop the criteria and procedures and the Council passed Res 86-08 To Approve Criteria and Procedure for Designation of Economic Revitalization Areas within the City of Bloomington. Subsequent amendments to those criteria and procedures were approved by Res 87-20, Res 89-20, and Res 93-36. In Ord 97-06 the City shifted those duties to Economic Development Commission and Office of the Mayor.

<sup>6</sup> I.C. 6-1.1-12.1-2(g)

<sup>7</sup> I.C. 6-1.1-12.1-2(i)(6)

## Overview of the Changes in Local Practice and State Law

As mentioned in the opening paragraph, this is the first significant change in the tax abatement program materials since 1993. Over that time, the City has:

- Adopted the 2002 Growth Policies Plan and the 2007 Unified Development Ordinance;
- Established the Bloomington Commission on Sustainability and adopted the Redefining Prosperity in an Age of Declining Oil Report (2009);
- Shifted duties for administering the tax abatement program from the former Redevelopment Department to the Office of the Mayor<sup>8</sup>; and
- Under Mayor Krusan, created a new Economic and Sustainable Development department,<sup>9</sup> which focuses on small business and sustainable development as well as arts and entertainment as economic development, along with the traditional economic development initiatives.

Also, over that same period of time, the tax abatement statutes have been amended in a number of ways including provisions that now allow:

- Deductions for a broader range of equipment<sup>10</sup> and the relocation of manufacturing equipment (with the approval of the Council<sup>11</sup>);
- Deductions for improvements to real estate and the installation of equipment to be granted for one to ten years rather than for a set of years within that range<sup>12</sup>;
- Deductions of up to two years for occupying certain vacant buildings<sup>13</sup> (which the City has not pursued);
- Waivers regarding clerical errors and the timing of certain actions (including the filing the Statement of Benefits and commencing construction before approval of the tax abatement)<sup>14</sup>;
- Repayment of deductions obtained by applicants who intentionally provide false information regarding their plans, if the Council incorporates this power in its initial resolution<sup>15</sup>; and
- Payment of an annual fee by abatement recipients (with their consent) of up to 15% of the value of the deduction (not to exceed \$100,000) to go to

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<sup>8</sup> Ord 97-06, §56

<sup>9</sup> Ord 08-18

<sup>10</sup> I.C. 6-1.1-12.1-4.5 (b) and

<sup>11</sup> I.C. 6-1.1-12.1-4.6

<sup>12</sup> I.C. 6-1.1-12.1-3 & 4.5

<sup>13</sup> I.C. 6-1.1-12.1-4.8

<sup>14</sup> I.C. 6-1.1-12.1-9.5 & 11.3

<sup>15</sup> I.C. 6-1.1-12.1-12

public or non-profit entities established to promote economic development in the City<sup>16</sup> (which the City has not pursued);

- Correction of deduction errors<sup>17</sup>; and
- Automatic extension of the power to grant tax abatements for five year periods beginning December 31, 2011 with the caveat that, in the year before those deadlines, the General Assembly may review and terminate those extensions.<sup>18</sup>

### Favoring Use of Statutory Cites Over Statutory Text

One of the more obvious changes between the current Criteria and Procedures and the proposed General Standards is the removal of statutory language and the use of statutory cites alone, which should help keep the document compatible with the statute when, as is often the case, the text but not the citations in the statute change. The memo emphasizes, however, that all of information necessary to inform the public of the requirements will appear in the marketing and application materials, which will be left to the department to develop (*and are not part of what the Council would approve*).

### Program Description

The current Criteria and Procedures grant tax abatements for the redevelopment and rehabilitation of real estate and the installation of new manufacturing equipment. This will be changed to include a tax exemption for “enterprise information technology equipment.” This special exemption has a narrow window of opportunity that is limited to equipment purchased after June 30, 2009 and exemptions approved by the City before January 1, 2013.<sup>19</sup> Because of a previously mentioned change in state law, the period of the tax deduction may range from one to ten years, rather than be limited to a set of years within that range. Please note that the City has never pursued tax abatements for residentially distressed properties which offer up to a five year tax abatement<sup>20</sup> nor vacant properties which offer up to a two year tax abatement.<sup>21</sup>

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<sup>16</sup> I.C. 6-1.1-12.1-14

<sup>17</sup> I.C. 6-1.1-12.1-15

<sup>18</sup> I.C. 6-1.1-12.1-9

<sup>19</sup> I.C. 6-1.1-10-44

<sup>20</sup> I.C. 6-1.1-12.1-4.1

<sup>21</sup> I.C. 6-1.1-12.1-4.8

In another change, the General Standards, specifically provide for the City to limit the number of years and the dollar amount of the deduction in respect to new construction and eligible equipment.

### Definitions

The current Criteria and Procedures include a list of three definitions which no longer appear in the document and have been deleted.

### Project Eligibility

The most significant change occurs with “Project Eligibility” where an old system for evaluating projects has long since fallen by the wayside. That system divided the community into five areas – Westside, Miller Drive, South Central, Downtown (with three sub-areas) and the rest of the City. It also identified seven types of projects, which included single family or condominium housing, multifamily housing with 20% affordable units, industrial/manufacturing (both improvements to real estate and installation of new manufacturing equipment), office space (of at least 5,000 s.f.), retail, and hotel/convention center. These were set forth in a grid where the intersection of each project and area yielded a presumptive period of abatement.

The grid was followed by a set of factors that might increase or decrease the period of years of the abatement by as much as three years. Projects that could increase the presumptive period of abatement:

- Created well compensated permanent jobs;
- Provided at least 50% of its housing to low- and moderate- income households or served senior citizens or persons with disabilities;
- Rehabbed a historic building in accordance with the Secretary of Interior standards;
- Paid for major public infrastructure; or
- Were located in the downtown.

Projects that could lower the presumptive period of abatement:

- Had higher density than the surrounding areas (except in the downtown);
- Did not rehab historic buildings in accordance with the approved standards;
- Required a major public investment in infrastructure; or
- Was not consistent with the long range plans for the area.



Rather than continue that approach and in light of over a decade of new economic development and community policies, the General Standards merely uses this section of the document to define an ERA. It then creates two new sections entitled “review criteria” and “additional evaluative criteria” to elaborate upon what will qualify for a tax abatement. These new sections are explained in the next few paragraphs.

### Review Criteria

Here, the General Standards state that projects will be reviewed both on their own merits and on how they effect employment and the revitalization of the surrounding areas. Along with complying with the Unified Development Ordinance and being located in current areas of economic development focus, eligible projects must:

- Create full-time, permanent living wage jobs; and
- Enhance the tax base with capital investment.

### Additional Evaluative Criteria

In addition to those initial considerations, the General Standards invite applicants to propose projects that provide significant positive contributions to the overall economic vitality and quality of life in the City. In order to guide them, the General Standards set forth a table and include an Appendix 1 (with examples of suitable contributions). The table lists four criteria and their definitions:

<u>Criteria</u>	<u>Definition</u>
Quality of Life and Environmental / Sustainability	Projects which: <ul style="list-style-type: none"><li>• Are consistent with or advance principles found in the Redefining Prosperity Report (2009);</li><li>• Result in responsible, sustainable development;</li><li>• Result in environmental remediation or protection that improves the overall quality of life within the City.</li></ul>

Affordable Housing	<ul style="list-style-type: none"> <li>• Require, by recordable restriction, that units be rented to, or owned by, qualified persons with very-low and low income for a certain number of years;</li> <li>• Also, may serve first-time home-buyers, persons with disabilities or other specified categories of persons (e.g. employees working in the area).</li> </ul>
Community Service	<ul style="list-style-type: none"> <li>• Have owners or participants who serve or work with boards of boards, commissions, and foundations in the community.</li> </ul>
Community Character	<ul style="list-style-type: none"> <li>• Preserve or enhance the unique character of the City (which, per the Appendix, includes developing or expanding art or studio space, investing in historic properties in accordance with Secretary of Interior Standards, or being owned by local, home-grown businesses, headquartered in or unique to the City.)</li> </ul>

### Ineligible Projects

The current Criteria and Procedures declare as ineligible projects that:

- Have been issued a building permit or have commenced construction;
- Involve the demolition or removal of structures listed on the local Historic Register, or eligible for individual listing on the National historic Register, or that are contributing structures within a nationally or locally designated historic district;
- Are prohibited under I.C. 6-1.1-12.1-7 (which the Criteria and Procedures set forth in full). These include businesses like country clubs, tanning salons, ice rinks, retail and most residential, but also offer exceptions for the latter two uses when the City has designated the underlying property as an Economic Development Target Area [EDTA]); or
- Have not been initiated within 12 months of the reconfirmation resolution or have an actual use that is different from that proposed and are voided by the Council.

The General Standards modifies that list of ineligible projects by:

- Prohibiting projects by mere reference to I.C. 6-1.1-12.1-7, except where allowed by the designation of an EDTA;
- Declaring the others as “factors which *may render* a project ineligible” (*emphasis added*);
- Adding to that list of “factors which may render a project ineligible” projects that:
  - Have an petitioner who holds an outstanding obligation or debt to the City which is in default or arrears, or is currently in litigation with the City;
  - Require major public infrastructure improvements at an additional cost to the City;
  - Are not consistent with the long range plans of that area of the City.<sup>22</sup>

### Application Procedure and Review

The current Criteria and Procedures still have this program administered by the City’s former Redevelopment Department. It:

- requires the applicant to complete an application (which is included in that material) and a statutorily required Statement of Benefits, and submit a \$100, non-refundable application fee;
- provides for review of applications by the former Redevelopment and other relevant departments and the preparation of a report and recommendation;
- sets forth a schedule for review and action by the relevant commission(s) and Council;
- recites the statutory findings the Council must make regarding the reasonableness of the purported benefits and whether, in totality, they justify the deduction;
- sets forth the duties of the City Clerk to certify the resolution to the Assessor and Auditor and publish notice of the proposed abatement, the availability of the materials in the Auditor’s Office, and the date and time of the public hearing at the Council when any remonstrances will be heard; and
- mentions the statutorily required confirmatory resolution by the Council.

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<sup>22</sup> Some of these “factors” were imported from various parts of the current Criteria and Procedures. Please also note that certain factors like commencing construction or installation may now, under statute, be waived by resolution of the Council per I.C. 6-1.1-12.1-5.8

The General Standards differ significantly from the current Criteria and Procedures by reflecting current practice and, in that regard, delegate the administering of this program to the Economic Development Commission and the Economic and Sustainable Development department. Beyond that change, rather than detailing the application and review procedures, the General Standards direct the Commission, with help from departmental staff, to develop and implement procedures that are consistent with statute and fulfill the purpose of the General Standards. While not part of the General Standards or what the Council would approve with this legislation, departmental staff has attached a draft of those procedures which are included in the packet materials. As the Memo explains, this more general approach is intended to give room for the Commission and staff to detail the procedures and revise them as the circumstances demand without having to return to the Council for every change.

### Memorandum of Agreement

The General Standards offer a new requirement that all recipients of tax deductions sign a memorandum of agreement with the City agreeing to all the terms tied to the Council approval and all relevant City policies. This agreement will both avoid confusion by clarifying unresolved issues and also give the City further means to enforce compliance with the program.

### Compliance and Annual Review

The current Criteria and Procedure mention the annual requirement for tax deduction recipients to file a statutorily required Compliance with Statement of Benefits (Form CF-1) with the Auditor and Council and sets forth an outdated timeframe for submitting them. It further states that failure to file the CF-1 form or provide the promised benefits may be a basis for the Council to rescind the remaining abatement.

In contrast, the General Standards put the filing of the CF-1 form in the context of the annual compliance report the Commission forwards to the Council (as required by statute) and the memorandum of agreement the recipient signs with the City. It then states that failure to file the CF-1, provide the promised benefits, or meet the terms of the memorandum of agreement may lead to the Council rescinding the abatement and/or enforcing other penalties set forth in the memorandum of agreement.

## Substantial Compliance Requirements

In order to rescind a tax deduction, the Council must find that the recipient was not in “substantial compliance” with the Statement of Benefits. To make that determination, the Council must find that the recipient failed to take reasonable steps to comply and that the failure to comply was not due to factors beyond control of the recipient.

The General Standards cites one statute setting forth the procedure for terminating the deduction<sup>23</sup> and elaborates on what constitutes non-compliance. In that regard, it provides an illustrative list which includes:

- failure to comply with the terms of the memorandum of agreement;
- failure to file a timely, complete and accurate CF-1;
- Vacating the City during the term of the abatement;
- Fraudulently obtaining the abatement; and
- Initiating litigation against the City.

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<sup>23</sup> I.C. 6-1.1-42-30 (also appearing in I.C. 6-1.1-12.1-5.9)

**NOTICE AND AGENDA  
BLOOMINGTON COMMON COUNCIL ORGANIZATIONAL MEETING  
FOLLOWED BY A COMMITTEE OF THE WHOLE  
7:30 P.M., WEDNESDAY, JANUARY 5, 2011  
COUNCIL CHAMBERS  
SHOWERS BUILDING, 401 N. MORTON ST.**

**I. ROLL CALL**

**II. AGENDA SUMMATION**

**III. APPROVAL OF MINUTES FOR:** None

**IV. REPORTS** (A maximum of twenty minutes is set aside for each part of this section.)

- 1. Councilmembers**
- 2. The Mayor and City Offices**
- 3. Council Committees**
- 4. Public \***

**V. ELECTION OF OFFICERS** (The newly-elected President will assign seats to Council members before the Council makes appointments to boards and commissions).

**VI. APPOINTMENTS TO BOARDS AND COMMISSIONS**

**VII. LEGISLATION FOR SECOND READING AND RESOLUTIONS**

None

**VIII. LEGISLATION FOR FIRST READING**

None

**IX. ADDITIONAL PUBLIC COMMENT \*** (A maximum of twenty-five minutes is set aside for this section.);

**X. COUNCIL SCHEDULE**

**XI. ADJOURNMENT**

\* Members of the public may speak on matters of community concern not listed on the agenda at one of the two *Reports from the Public* opportunities. Citizens may speak at one of these periods, but not both. Speakers are allowed five minutes; this time allotment may be reduced by the presiding officer if numerous people wish to speak.

*(and immediately reconvene for)*

**COMMITTEE OF THE WHOLE**

**Chair: Piedmont-Smith**

1. Resolution 11-01 To Approve "The City of Bloomington Tax Abatement Program General Standards" Which Amends and Supersedes All Former Versions of the City's Tax Abatement Program Criteria and Procedures

Asked to Attend: Danise Alano Martin, Director,  
Economic and Sustainable Development Department



**City of Bloomington  
Office of the Common Council**

To: Council Members  
From: Council Office  
Re: Calendar for the Week of 03-07 January 2011

**Monday, 03 January 2011**

5:00 pm Redevelopment Commission, McCloskey  
5:00 pm Utilities Service Board, Board Room, 600 E Miller Dr  
5:30 pm Bicycle and Pedestrian Safety Commission Work Session, Hooker Room

**Tuesday, 04 January 2011**

5:30 pm Sister Cities International, Dunlap  
7:30 pm Telecommunications Council, Council Chambers

**Wednesday, 05 January 2011**

12:00 noon Bloomington Urban Enterprise Association, McCloskey  
7:30 pm Common Council Organizational Meeting *immediately followed by a* Committee of the Whole, Council Chambers

**Thursday, 06 January 2011**

4:00 pm Bloomington Digital Underground Advisory Council, McCloskey  
5:15 pm Solid Waste Management District Citizens Advisory Committee, SWMD Education Room, 3400 S. Walnut St.  
5:30 pm Commission on the Status of Women, McCloskey

**Friday, 07 January 2011**

*No meetings are scheduled for this date.*

*Posted and Distributed: Thursday, 30 December 2010*

## **Material Related to Action at Organizational Meeting**

- List of Council Positions - Officers, Appointments, and Assignments for 2011 (*blank*)
- List of Council Positions - Officers, Appointments, and Assignments for 2010
- List of Interview Committee Assignments in 2010 (*blank*)
- List of Interview Committee Assignments in 2010 (*typically kept same for the entire term, unless there is a new Council member or commission*)
- Council Member Seating Chart for 2004 – 2010 & 2011 (*blank*)



# COUNCIL OFFICERS, APPOINTMENTS & ASSIGNMENTS FOR 2011

## ACTION BY MOTIONS OF THE COUNCIL

President \_\_\_\_\_  
Vice President \_\_\_\_\_  
Parliamentarian \_\_\_\_\_

**Citizens Advisory Committee - Community Development Block Grants (CDBG)**

Social Services \_\_\_\_\_  
Physical Improvements \_\_\_\_\_

**Commission for Bloomington Downtown** \_\_\_\_\_

**Economic Development Commission (City)** \_\_\_\_\_

**Economic Development Commission (County)** \_\_\_\_\_

**Environmental Resource Advisory Committee** \_\_\_\_\_

**Metropolitan Planning Organization** \_\_\_\_\_

**Plan Commission** \_\_\_\_\_

**Solid Waste Management District** \_\_\_\_\_

**Board of the Urban Enterprise Association** \_\_\_\_\_

**Utilities Service Board** \_\_\_\_\_

**Bloomington Economic Development Corporation** \_\_\_\_\_

**Bloomington Commission on Sustainability** \_\_\_\_\_

*\* Councilmember Rollo currently chairs the City/County Deer Task Force and the Platinum Bike Task Force*

## ACTION BY PRESIDENT (By Assignment)

**Jack Hopkins Social Services Funding Committee (5 council members)**

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**Council Sidewalk Committee (4 council members) (Regarding 2012 Funds)**

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**Council Interview Committees for Citizen Appointments to Boards and Commissions (see accompanying list)**

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# COUNCIL OFFICERS, APPOINTMENTS & ASSIGNMENTS FOR 2010

## ACTION BY MOTIONS OF THE COUNCIL

<b>President</b>	<u>Isabel-Piedmont Smith</u>
<b>Vice President</b>	<u>Andy Ruff</u>
<b>Parliamentarian</b>	<u>Mike Satterfield</u>

### **Citizens Advisory Committee - Community Development Block Grants (CDBG)**

<b>Social Services</b>	<u>Susan Sandberg</u>
<b>Physical Improvements</b>	<u>Tim Mayer</u>

**Commission for Bloomington Downtown** Chris Sturbaum

**Economic Development Commission (City)** Mike Satterfield

**Economic Development Commission (County)** Regina Moore

**Environmental Resource Advisory Committee** Dave Rollo

**Metropolitan Planning Organization** Andy Ruff

**Plan Commission** Chris Sturbaum

**Solid Waste Management District** Steve Volan

**Board of the Urban Enterprise Association** Chris Sturbaum

**Utilities Service Board** Tim Mayer

**Bloomington Economic Development Corporation** Isabel Piedmont-Smith

**Bloomington Commission on Sustainability** Dave Rollo

## ACTION BY PRESIDENT (By Assignment)

**Jack Hopkins Social Services Funding Committee (5 council members)**

Mayer, Piedmont-Smith, Ruff, Sandberg & Satterfield

**Council Sidewalk Committee (4 council members) (Regarding 2011 Funds)**

Rollo, Satterfield, Sturbaum & Volan (*replaced by Ruff in October*)

**Council Interview Committees for Citizen Appointments to Boards and Commissions (see accompanying list)**

**2011 COUNCIL**

**BOARD AND COMMISSION INTERVIEW COMMITTEES**

<u>Animal Control Commission</u>	<u>Bicycle &amp; Pedestrian Safety Commission</u>	<u>Bloomington Commission on Aging</u>	<u>Bloomington Commission on Sustainability</u>
<u>Bloomington Community Arts Commission</u>	<u>Bloomington Digital Underground</u>	<u>Bloomington Historic Preservation Commission</u>	<u>Bloomington Human Rights Commission</u>
<u>Bloomington Public Transportation Corporation</u>	<u>Bloomington Urban Enterprise Association</u>	<u>Board of Housing Quality Appeals</u>	<u>Board of Zoning Appeals</u>
<u>Commission on Hispanic and Latino Affairs</u>	<u>Commission on the Status of Black Males</u>	<u>Commission on the Status of Women</u>	<u>Community &amp; Family Resources Commission</u>
<u>Environmental Commission</u>	<u>Housing Trust Fund Board of Directors</u>	<u>Martin Luther King, Jr. Birthday Commission</u>	<u>Redevelopment Commission</u>
<u>Telecommunications Council</u>	<u>Traffic Commission</u>	<u>Tree Commission</u>	<u>Utilities Service Board</u>

*\* Notes: The Council appoints 3 advisory members to the HPC and the Mayor appoints 7 voting members with the consent of the Council.*

The President assigns members to interviewing committees (per Standing Committees - BMC 2.04.210) and these assignments usually remain in place for the entire term. These committees meet to review applications for appointments to their respective boards/commissions after the media has been informed of the vacancies (per BMC 2.02.020), and then determine whether to interview applicants and, if so, which ones. Interviews and deliberations usually occur on a Wednesday evening before a Council meeting and then the recommendations are forwarded to the full Council for the final action. Please note that while the Open Door Law allows the initial review and cut to be done in an Executive Session, the interviews, if any, and final recommendations must occur at a public meeting (per IC 5-14-1.5-6(b)(10)).

**2010 COUNCIL**

**BOARD AND COMMISSION INTERVIEW COMMITTEES**

<u>Animal Control Commission</u>	<u>Bicycle &amp; Pedestrian Safety Commission</u>	<u>Bloomington Commission on Aging</u>	<u>Bloomington Commission on Sustainability</u>
Tim Mayer Mike Satterfield Chris Sturbaum	Isabel Piedmont-Smith Dave Rollo Chris Sturbaum	Tim Mayer Susan Sandberg Mike Satterfield	Dave Rollo Steve Volan Brad Wisler
<u>Bloomington Community Arts Commission</u>	<u>Bloomington Digital Underground</u>	<u>Bloomington Historic Preservation Commission</u>	<u>Bloomington Human Rights Commission</u>
Andy Ruff Susan Sandberg Chris Sturbaum	Isabel Piedmont-Smith Mike Satterfield Steve Volan	Mike Satterfield Chris Sturbaum Steve Volan	Dave Rollo Susan Sandberg Stephen Volan
<u>Bloomington Public Transportation Corporation</u>	<u>Bloomington Urban Enterprise Association</u>	<u>Board of Housing Quality Appeals</u>	<u>Board of Zoning Appeals</u>
Tim Mayer Stephen Volan Brad Wisler	Isabel Piedmont-Smith Chris Sturbaum Stephen Volan	Tim Mayer Andy Ruff Mike Satterfield	Tim Mayer Dave Rollo Mike Satterfield
<u>Commission on Hispanic and Latino Affairs</u>	<u>Commission on the Status of Black Males</u>	<u>Commission on the Status of Women</u>	<u>Community &amp; Family Resources Commission</u>
Tim Mayer Susan Sandberg Steve Volan	Andy Ruff Susan Sandberg Mike Satterfield	Isabel Piedmont-Smith Dave Rollo Susan Sandberg	Isabel Piedmont-Smith Chris Sturbaum Stephen Volan
<u>Environmental Commission</u>	<u>Housing Trust Fund Board of Directors</u>	<u>Martin Luther King, Jr. Birthday Commission</u>	<u>Redevelopment Commission</u>
Andy Ruff Dave Rollo Chris Sturbaum	Isabel Piedmont-Smith Dave Rollo Susan Sandberg	Andy Ruff Susan Sandberg Mike Satterfield	Andy Ruff Mike Satterfield Chris Sturbaum
<u>Telecommunications Council</u>	<u>Traffic Commission</u>	<u>Tree Commission</u>	<u>Utilities Service Board</u>
Isabel Piedmont-Smith Mike Satterfield Steven Volan	Andy Ruff Mike Satterfield Chris Sturbaum	Isabel Piedmont-Smith Stephen Volan Brad Wisler	Tim Mayer Susan Sandberg Brad Wisler

*\* Notes: The Council appoints 3 advisory members to the HPC and the Mayor appoints 7 voting members with the consent of the Council.*

The President assigns members to interviewing committees (per Standing Committees - BMC 2.04.210) and these assignments usually remain in place for the entire term. These committees meet to review applications for appointments to their respective boards/commissions after the media has been informed of the vacancies (per BMC 2.02.020), and then determine whether to interview applicants and, if so, which ones. Interviews and deliberations usually occur on a Wednesday evening before a Council meeting and then the recommendations are forwarded to the full Council for the final action. Please note that while the Open Door Law allows the initial review and cut to be done in an Executive Session, the interviews, if any, and final recommendations must occur at a public meeting (per IC 5-14-1.5-6(b)(10)).

# Council Member Seating 2004 - 2011

## Seating For the Year 2004

Banach	Sturbaum	Gaal	Ruff	Diekhoff	Mayer	Rollo	Sabbagh	Volan
			Vice President	President	Parliamentarian			

## Seating For the Year 2005

Banach	Diekhoff	Gaal	Sturbaum	Ruff	Mayer	Rollo	Sabbagh	Volan
			Vice President	President	Parliamentarian			

## Seating For the Year 2006

Banach/ Wisler	Diekhoff	Gaal	Rollo	Sturbaum	Mayer	Ruff	Sabbagh	Volan
			Vice President	President	Parliamentarian			

## Seating For the Year 2007

Wisler	Diekhoff	Sabbagh	Volan	Rollo	Mayer	Sturbaum	Sandberg	Ruff
			Vice President	President	Parliamentarian			

## Seating For the Year 2008

Rollo	Wisler	Piedmont	Ruff	Sandberg	Volan	Sturbaum	Satterfield	Mayer
			Vice President	President	Parliamentarian			

## Seating For the Year 2009

Rollo	Wisler	Sandberg	Piedmont- Smith	Ruff	Volan	Sturbaum	Satterfield	Mayer
			Vice President	President	Parliamentarian			

## Seating For the Year 2010

Rollo	Wisler	Sandberg	Ruff	Piedmont- Smith	Satterfield	Volan	Sturbaum	Mayer
			Vice President	President	Parliamentarian			

## Seating For the Year 2011

			Vice President	President	Parliamentarian			

**RESOLUTION 11-01**

**TO APPROVE “THE CITY OF BLOOMINGTON TAX ABATEMENT PROGRAM  
GENERAL STANDARDS” WHICH AMENDS AND SUPERSEDES ALL FORMER  
VERSIONS OF THE CITY’S TAX ABATEMENT PROGRAM  
CRITERIA AND PROCEDURES**

**WHEREAS**, the Indiana Code at 6-1.1-12.1 et. seq. authorizes the Common Council to establish areas within the corporate boundaries as "Economic Revitalization Areas" (ERAs) as well as Economic Development Target Areas (EDTAs) within which property taxes may be abated on real property as well as eligible new equipment (personal property); and

**WHEREAS**, I.C. 6-1.1-12.1-2 authorizes the Common Council to adopt a resolution establishing general standards to be used in finding an area to be an ERA; and

**WHEREAS**, in an ERA or EDTA, an applicant for tax abatement must receive Common Council approval of the Statement of Benefits resulting from a proposed project; and

**WHEREAS**, the Common Council of the City of Bloomington in Ordinance 97-06 gave to the Economic Development Commission, a statutory commission established by the Council pursuant to IC 36-7-12-5 and Bloomington Municipal Code Section 2.30, the responsibility for making recommendations to the Council regarding requests for tax abatement; and

**WHEREAS**, the Economic Development Commission, recently adopted amendments to the general standards of the tax abatement program and procedures and recommends that the Common Council enact those amendments, which are included in “Exhibit A”, which is entitled “City of Bloomington Tax Abatement Program General Standards” and is attached hereto and incorporated herein;

**NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:**

**SECTION 1.** The Common Council approves the attached document entitled the “City of Bloomington Tax Abatement Program General Standards” in its entirety as an amendment to the guidelines and procedures for administration of the program. These general standards supersede any previous version of the guidelines and procedures, and shall remain in effect until amended or superseded by another version of the general standards.

**SECTION 2.** This resolution shall be effective from and after passage and execution by the Mayor and until rescinded or amended by the Council.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
, President  
Bloomington Common Council

ATTEST:

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
MARK KRUZAN, Mayor  
City of Bloomington

#### SYNOPSIS

This resolution amends the general standards of the Tax Abatement program of the City of Bloomington. Based upon the recommendation of the City's Economic Development Commission, this resolution amends the general standards by which the affirmative designation of an economic revitalization area or economic development target area may be made as well as subsequent approval of tax abatement deductions on real or personal property within those areas.



**CITY OF BLOOMINGTON**  
economic & sustainable development

## MEMORANDUM

**To:** City Council Members  
**CC:** Dan Sherman, Regina Moore  
**From:** Danise Alano Martin, Adam Wason  
**Date:** November 19, 2010  
**Re:** Adoption of Revisions to Tax Abatement Program General Standards

---

### Introduction

Indiana Code 6-1.1-12.1 provides for the designation of "Economic Revitalization Areas" (ERAs) and "Economic Development Target Areas" (EDTAs) within which property taxes may be abated on improvements to real estate and installation of certain eligible equipment. Indiana law allows the designating body (City Council) to adopt general standards to be used, in addition to those findings required by state law, in making these designations (I.C. 6-1.1-12.1-2(g)). In 1997, the Council adopted Ordinance 97-06 which gave to the Economic Development Commission the responsibility for making recommendations to the Council regarding requests for tax abatement. This ordinance also adopted certain guidelines for the administration of the City's tax abatement program.

Since then, certain changes in Indiana Code, Bloomington Municipal Code and City of Bloomington economic and sustainable development policies have taken place which have led to the Administration's and EDC's desire to recalibrate and update the City's general standards of the tax abatement program.

The Economic Development Commission on November 19 passed its Resolution 10-10 recommending that the Council adopt the attached updated standards for the City's tax abatement program.

### Comparison of current guidelines to proposed General Standards

- **Reference to Indiana Code** Differing from the current guidelines, these General Standards make reference to relevant sections of the Indiana Code, but in most cases do not replicate or reiterate the Indiana Code content itself. By referencing the code citations rather than inserting excerpts from Indiana Code the City's General Standards are prevented from becoming immediately outdated and out of sync with State law if the State updates its provisions.

For example, the current guidelines list each specific deduction schedule for the 3, 6 and 10 year terms, as were allowed by State law previously. State law has since been updated to allow any term length from one year to 10 years. Therefore, the proposed General Standards deal with these schedules with the following statement only: "The rate at which the new



assessed valuation will be phased in for approved abatements is set forth by Indiana law (I.C. 6-1.1-12.1-5.1 for real property; I.C. 6-1.1-12.1-4.5 for eligible equipment or personal property).” The General Standards don’t include the actual schedules for each term length, but rather reference the schedules as set forth in Indiana Code.

Note: While any marketing or application materials will likely show these schedules in chart form for the applicants’ reference, we do not recommend detailing the schedules in the General Standards. This will allow these General Standards to be responsive immediately if Indiana Code changes.

- **Definitions** This section from the current guidelines is deleted in the General Standards. Definitions and examples related to review and evaluative criteria are dealt with later in the document.
- **Project Eligibility** The current guidelines designate four geographic areas in which tax abatement will primarily be awarded. The proposed guidelines have deleted these designated areas, so that geographic eligibility is limited only by the City’s own incorporated limits. Projects must still be located in an area designated by the EDC and City Council as an Economic Revitalization Area (or Economic Development Target Area in some cases). The proposed General Standards continue to emphasize the creation of permanent jobs and the creation of capital investment as an enhancement to the tax base. The EDC and staff support an open eligibility to all areas of the city to allow for the balanced and sustainable development of the community.

Also, the current guidelines include an “increase” or “decrease” factor related to features of a project which would help determine the term length of a tax abatement. This method is deleted from the proposed guidelines. Instead, the proposed General Standards add additional evaluative criteria for eligibility which allow applicants to describe in detail how their project may be in accordance with the economic and sustainable development vision of the City. The EDC will consider these evaluative criteria when making a recommendation of term length and tax abatement approval to the Council.

To be consistent with BMC 2.28, the proposed guidelines add “living wage” jobs as an eligibility component related to potential projects.

- **Ineligible Projects** The proposed guidelines add three more categories for ineligible projects:

A project may not be considered eligible if:

- the petitioner holds outstanding obligation or debt to the City in default or arrears; nor if the petitioner is currently in litigation with the city.
- the project requires major public infrastructure improvements at additional cost to the city of Bloomington.
- the projects are not consistent with the City’s long range plans for the area in question.

The intent of these additions is to mitigate possible financial burdens and risk to the City of a tax abatement project, to ensure that the incentive is utilized by responsible applicants, and to ensure that projects that may pose as obstacles to the City’s long range plans (including our economic and sustainable development vision) are not eligible to receive the incentive.

- **Application Procedure and Review**

No practical change to the approval process is recommended. The Department of Economic & Sustainable Development will receive applications; the Economic Development Commission will review applications; and, the EDC will make a recommendation to the City Council for final approval. The significant change between the existing guidelines and the proposed General Standards is that rather than limiting administrative flexibility and responsiveness by codifying the minute details of the pre-application and application procedures, the General Standards direct the EDC and the Department of Economic & Sustainable Development to develop the appropriate application materials and implement the appropriate review procedures. This will be done in accordance with the application and eligibility requirements as directed by State law and these General Standards if adopted.

We have attached for the Council’s reference the procedures which the EDC and Department intend to follow and publicize, but we are recommending that this level of detail is not to be included in the General Standards.

- **Review and Evaluative Criteria**

A project achieves basic eligibility in the General Standards just as it would have in the existing guidelines – through demonstrating job creation and capital investment. The proposed General Standards adds compliance with the City’s Living Wage ordinance as required by Bloomington Municipal Code. Further, under the proposed General Standards, projects should demonstrate contributions to the economic vitality of the city *beyond* job creation and capital investment, and the targeted areas for contribution are listed as “Additional Evaluative Criteria,” and include the following:

Additional Evaluative Criteria	Definition
<p align="center"><b>Quality of Life and Environmental/Sustainability</b></p>	<p>A project which is consistent with or advances principles found in the Redefining Prosperity report (2009); and/or a project which results in responsible sustainable development; and/or a project that results in environmental remediation or protection which makes a positive contribution to the overall quality of life within the city of Bloomington.</p>
<p align="center"><b>Affordable Housing</b></p>	<p>Residential developments with a recorded restriction that requires the housing for a certain number of years to be rented or owned by qualified very low and low-income households are considered affordable housing. Projects of this nature may be directed toward specified individuals, for example, first-time homebuyers and persons with disabilities.</p>
<p align="center"><b>Community Service</b></p>	<p>Volunteerism and civic engagement, such as serving on and working with boards, commissions and foundations, in the Bloomington community.</p>
<p align="center"><b>Community Character</b></p>	<p>A project that preserves and/or enhances the unique character of the city of Bloomington.</p>

In Appendix 1, a list of theoretical examples to help further envision these criteria are listed.

The proposed General Standards emphasize that the list of the four criteria above, as well as the examples listed in the Appendix are not meant to be exhaustive – thus the proposed General Standards allow for flexibility on the part of the EDC and Council to consider

projects that have other community benefits that may not fit neatly into the above categories. Still, the four categories of evaluative criteria are intended to help direct the use of tax abatement toward desired economic and sustainable development projects.

- ***Memorandum of Agreement***

The General Standards adds the requirement for the property owner to sign a Memorandum of Agreement with the City of Bloomington if a project is approved by the Council. The MOA will include any additional terms of the Council's approval as well as any other project-specific terms related to compliance with the property owner's statement of benefits. This contract may serve to reduce latent conflicts over the terms under which an abatement was originally approved, should any question arise as to whether the project met its stated benefits.

- ***Substantial Compliance Requirements***

State law does not provide detailed guidance as to what factors specifically may lead the Council to declare a project to be in noncompliance. This newly added section in the General Standards provides this guidance locally. It is intended that these clarifications as well as the required Memorandum of Agreement will serve as leverage to secure the compliance of the applicant throughout the term of the abatement.

## **Conclusion**

Tax Abatement has been a strong tool for enhancing economic development and achieving the Administration's vision for the City. The proposed new version of the General Standards for the program aligns the program more closely with the long-term economic and sustainable development vision of the City, will allow the program to respond quickly to changes in Indiana Code, and adds clarity to the program's compliance requirements. With adoption of these General Standards, the Council will help the Economic Development Commission and the Department of Economic & Sustainable Development more appropriately use this tool to contribute to retain, attract and grow business which contribute to the sustainable economic vitality of the community.

## **City of Bloomington**

### **Tax Abatement Program: General Standards**

This document sets forth the General Standards under which the City of Bloomington may authorize deductions on the rehabilitation of real and personal property (also known as tax abatement), as allowed under Indiana law.

#### **Program Description:**

The City of Bloomington recognizes tax abatement as a useful economic development tool which can be implemented to improve the overall economic lives of citizens and to aid in achieving the Administration's vision of a strong and diverse economy, with an eye toward sustainability and balance. City of Bloomington tax abatements allow taxes on real estate improvements or eligible equipment installation to be phased in over a period of time, thus promoting new business and agencies and initiatives that improve the overall quality of life in our community. New construction, rehabilitation of existing buildings or installation of eligible equipment within designated ERAs receives tax abatement through a reduced assessed valuation on those improvements over a specified period of time.

Indiana Law (I.C. 6-1.1-12.1 *et. seq*) allows up to ten year abatement on the increased assessed valuation due to construction or rehabilitation improvements in the areas of the city where development needs to be encouraged. I.C. 6-1.1-12.1 also allows a one- to ten-year abatement on "new manufacturing equipment." The equipment must be used in "the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining or finishing or other tangible personal property; and never before used by its owner for any purpose in Indiana." Further, "enterprise information technology equipment" purchased after June 30, 2009 may also be eligible for abatement if the project is approved prior to January 1, 2013. See IC 6-1.1-10-44 for the statutory definitions of "enterprise information technology equipment" and eligibility requirements.

The rate at which the new assessed valuation will be phased in for approved abatements is set forth by Indiana law (I.C. 6-1.1-12.1-3 for real property; I.C. 6-1.1-12.1-4.5 for eligible equipment or personal property). The City of Bloomington Economic Development Commission shall recommend a term of abatement for each project, which shall be authorized by the City Council in the process outlined below and allowed for by Indiana law. With respect to new construction and personal property, the City Council may choose to limit the dollar amount of the deduction that will be allowed.

#### **Project Eligibility:**

In order for a project to be eligible for tax abatement, the area in which it is located must be designated as an Economic Revitalization Area (ERA) by the City of Bloomington. Decisions to designate areas as ERAs are determined on a project-by-project basis for any project located within the corporate limits of the City of Bloomington.

An Economic Revitalization Area (ERA) must have "...become undesirable for or impossible of, normal development and occupancy," because of such factors as "a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property," and "includes any area where a facility or a group of facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues." (IC 6-1.1-12.1-1)

**Review Criteria:**

Each project is reviewed on its own merits, and the effect of each project on the revitalization of the surrounding areas and employment is considered. Basic eligibility is achieved through demonstrating the following:

- Creation of full-time, permanent living-wage jobs<sup>1</sup>
- Creation of capital investment as an enhancement to the tax base

In addition, other qualifying and evaluative criteria will be considered. The following page provides a general list of such criteria and their definitions. It is intended to be neither exhaustive nor definitive, and applicants are encouraged to submit proposals of projects that may not be found on this list but make a significant positive contribution to overall economic vitality and quality of life in the City of Bloomington.

Projects must be in accordance with the current City of Bloomington Unified Development Ordinance (UDO) and should be located within current areas of economic development focus.

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<sup>1</sup> In accordance with Chapter 2.28 (Bloomington Living Wage Ordinance) of the City of Bloomington Municipal Code.

**Additional Evaluative Criteria:**

In addition to the creation of full-time, living wage employment and capital investment enhancements to the tax base, other evaluative criteria will be considered in the review of tax abatement applications, outlined below. This list is neither exhaustive nor definitive, and applicants are encouraged to submit proposals of projects that may not be found on this list but make a significant positive contribution to overall economic vitality and quality of life in the City of Bloomington.

<b>Criteria</b>	<b>Definition</b>
<b>Quality of Life and Environmental/Sustainability</b>	A project which is consistent with or advances principles found in the Redefining Prosperity report (2009); and/or a project which results in responsible sustainable development; and/or a project that results in environmental remediation or protection which makes a positive contribution to the overall quality of life within the City of Bloomington.
<b>Affordable Housing</b>	Residential developments with a recorded restriction that requires the housing for a certain number of years to be rented or owned by qualified very low and low-income households are considered affordable housing. Projects of this nature may be directed toward specified individuals, for example, first-time homebuyers and persons with disabilities.
<b>Community Service</b>	Volunteerism and civic engagement, such as serving on and working with boards, commissions and foundations, in the Bloomington community.
<b>Community Character</b>	A project that preserves and/or enhances the unique character of the city of Bloomington.

*A list of examples for all criteria is provided in Appendix 1.*

### **Ineligible Projects:**

Facilities as listed in Indiana Code 6-1.1-12.1-3 are ineligible. Some facilities which are generally prohibited under this law (such as retail or residential) may be eligible to apply under these General Standards for abatement if the area of the project is designated by the City Council as an Economic Development Target Area (EDTA), as allowed by I.C. 6-1.1-12.1-7.

Other factors which may render a project ineligible for designation by the City of Bloomington include the following:

- A building permit has been obtained or construction has been initiated prior to final approval.
- The petitioner holds outstanding obligation or debt to the City which is in default or arrears, or is currently in litigation with the City.
- The project involves the demolition or removal of structures that are listed on the local Historic Register, that are eligible for individual listing on the National Historic Register or that are contributing structures within a nationally or locally designated historic district.
- The project requires major public infrastructure improvements at additional cost to the City of Bloomington.
- The project is not consistent with the City's long-range plans for the area in question.

The City Council may void the tax abatement designation awarded to a project if the project has not been initiated within twelve (12) months of the date of the confirmatory resolution (final approval) of the tax abatement, or if the actual use is different than that approved.

### **Application Procedure and Review:**

IC 6-1.1-12.1 *et seq.* requires an applicant to file a Statement of Benefits. The Economic Development Commission shall develop and implement, with the City of Bloomington Economic & Sustainable Development Department, application and Commission review procedures to ensure consistency with Indiana statutory requirements as set forth in IC 6-1.1-12.1-1 and to fulfill the purpose of these General Standards.

Each application shall be reviewed by the Economic Development Commission and any other City commission as may be required by law. The Economic Development Commission shall make the final recommendation regarding designation to the City Council, based upon criteria in these General Standards and according to Indiana Code.

A non-refundable \$100.00 application fee shall be required for each application.

The Economic Development Commission's recommendation shall be submitted to the City Council, along with all application and supplementary documents as necessary for the designating body's review.

The City Council's determination of whether the area shall be designated as an Economic Revitalization Area shall be based on procedures and the following findings as set forth in Indiana Code (IC 6-1.1-12.1 *et seq.*):

- Whether the estimate of the value of the redevelopment or rehabilitation is reasonable for the projects of that nature.
- Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.
- Whether the estimate of the annual salaries of these individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.
- Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described redevelopment or rehabilitation.
- Whether the totality of the benefits is sufficient to justify the deduction.

If the City Council makes the above findings in the affirmative, it shall pass a declaratory resolution to designate an area an Economic Revitalization Area, approve a Statement of Benefits and authorize the term of abatement. As allowed under IC 6-1.1-12.1-2, the declaratory resolution may include the dollar amount of the deduction and may impose reasonable conditions which are related to the purpose of these General Standards.

If the Council recommends designation of an ERA and approval thereof, the City Clerk shall:

- A. Certify a copy of the resolution and the application to the Monroe County Assessor and Auditor's Office;
- B. Publish a legal notice to inform interested parties that the tax abatement application is available for inspection at the Assessor's Office;
- C. Set a meeting date, at which time the Common Council shall hear all remonstrance and objections to the area being designated an "Economic Revitalization Area."

The Common Council shall subsequently hold a regular meeting and vote on a resolution confirming, modifying, or rescinding the earlier resolution recommending designation and approval.

**Memorandum of Agreement:**

Upon approval by the Common Council of a confirmatory resolution:

- A. The applicant will sign a Memorandum of Agreement with the City of Bloomington, thereby agreeing to all terms set forth by the Common Council approval and as required by the City of Bloomington.
- B. The City Clerk shall certify a copy of the confirming resolution and the application to the Applicant, the Monroe County Assessor and Auditor's Office.



### **Compliance Procedures and Annual Review:**

The Department of Economic & Sustainable Development will compile a yearly compliance report related to all active tax abatement projects to present to the Economic Development Commission. The Commission will forward the report to the City Council. The report will be based upon Compliance with Statement of Benefits Forms (CF-1s) as submitted by property owners receiving tax abatement. The annual compliance process for the property owner is set forth in IC 6-1.1-12.1-5.1 and additional terms may be set forth in the Memorandum of Agreement.

If the CF-1 is not filed, the benefits promised are not materialized, or other terms of the Memorandum of Agreement are not fulfilled, the Council may find the property owner not in Substantial Compliance as described below, and may act to rescind the remaining term of abatement, or enforce similar penalties as set forth in the Memorandum of Agreement.

### **Substantial Compliance Requirements:**

In addition to terms set forth in IC 6-1.1-12.1-5.9, the Memorandum of Agreement may set forth additional terms related to what may constitute substantial compliance or noncompliance.

Noncompliance occurs when the designating bodies (Economic Development Commission and City Council) determine that the property owner has not made reasonable efforts to comply with the Statement of Benefits. Noncompliance may not result from factors beyond the control of the property owner, such as declining demand for the owner's products or services. If factors beyond the property owner's control do not cause noncompliance, the termination of deduction procedure will be implemented as prescribed by IC 6-1.1-42-30.

Factors within the control of the property owner that may contribute to noncompliance may include, but are not limited to, the following:

- Failure to comply with any terms set forth in the Memorandum of Agreement;
- An incomplete, inaccurate, or missing CF-1;
- Petitioner vacates the city of Bloomington during the term of abatement;
- Fraud on the part of petitioner;
- Initiation of litigation with the City of Bloomington.

The City Council may void the tax abatement designation awarded to a project if the project has not been initiated within twelve (12) months of the date of the confirmatory resolution (final approval) of the tax abatement, or if the actual use is different than that approved.

## **Appendix 1:** **Project Eligibility Criteria Examples**

The following is a list of general examples. It is not intended to be exhaustive nor definitive. The Department of Economic and Sustainable Development will assist potential applicants with understanding project eligibility on a case-by-case basis.

-- **Job creation**

- Full-time, living-wage jobs are created for Bloomington residents – from new business or expansion of existing employee base
- Compensation may include wages and benefits such as childcare.

-- **Creation of capital investment as enhancement to the tax base**

- Projects that provide a major private infrastructure improvement paid by the developer
- Includes real property investment – new and existing buildings
- Includes eligible manufacturing and other eligible equipment

-- **Quality of Life and Environmental/Sustainability**

- Urban infill redevelopment and/or brownfield remediation<sup>1</sup>
- Green building according to “Leadership in Energy and Environmental Design” (LEED)<sup>2</sup> or other commonly accepted green building standards
- A business engaged in research and development of alternative energy production or other methods to build community resilience in a volatile energy market
- A social enterprise or business helping formerly incarcerated persons re-enter the workforce
- A business specializing in fine arts/crafts (bolstering the arts sector and assisting with diversifying the local economy).

-- **Affordable Housing**

- A housing development sets aside 50% of the units to be affordable (at, e.g., HUD Fair Market rent) for low income to moderate income individuals
- Housing units for workforce housing
- Housing stipulated for sale to first-time homebuyers
- Affordable housing with handicap-accessible units, and/or the units are designed for occupancy by senior citizens.

-- **Community Service**

- Volunteering labor, materials, money, or a combination of the three to charitable organizations and non-profit agencies that make a significant impact in Bloomington.
- Serving on boards, commissions, and/or foundations whose mission involves community service and the betterment of Bloomington.

-- **Community Character**

- Art space and art studio expansion and development
- Petitioner is a local home-grown business, headquartered in and/or unique to Bloomington
- Rehabilitation, preservation, and renovation of historic properties according to Secretary of the Interior Standards in consultation with the City Historic Preservation Officer.

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<sup>1</sup> By definition, a brownfield site is real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant (Public Law 107-118 (H.R. 2869) – “Small Business Liability Relief and Brownfields Revitalization act” – signed into law Jan. 11, 2002).

<sup>2</sup> [www.usgbc.org](http://www.usgbc.org)

## Appendix 2:

### **Excerpt from IC 6-1.1-12.1-5.9: Determination of substantial compliance with statement of benefits; notice of noncompliance; hearing; resolution; appeal**

- (a) This section does not apply to:
- (1) a deduction under section 3 of this chapter for property located in a residentially distressed area; or
  - (2) any other deduction under section 3 or 4.5 of this chapter for which a statement of benefits was approved before July 1, 1991.
- (b) Not later than forty-five (45) days after receipt of the information described in section 5.1, 5.3(j), or 5.6 of this chapter, the designating body may determine whether the property owner has substantially complied with the statement of benefits approved under section 3, 4.5, or 4.8 of this chapter. If the designating body determines that the property owner has not substantially complied with the statement of benefits and that the failure to substantially comply was not caused by factors beyond the control of the property owner (such as declines in demand for the property owner's products or services), the designating body shall mail a written notice to the property owner. The written notice must include the following provisions:
- (1) An explanation of the reasons for the designating body's determination.
  - (2) The date, time, and place of a hearing to be conducted by the designating body for the purpose of further considering the property owner's compliance with the statement of benefits. The date of the hearing may not be more than thirty (30) days after the date on which the notice is mailed.
- (c) On the date specified in the notice described in subsection (b)(2), the designating body shall conduct a hearing for the purpose of further considering the property owner's compliance with the statement of benefits. Based on the information presented at the hearing by the property owner and other interested parties, the designating body shall again determine whether the property owner has made reasonable efforts to substantially comply with the statement of benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner. If the designating body determines that the property owner has not made reasonable efforts to comply with the statement of benefits, the designating body shall adopt a resolution terminating the property owner's deduction under section 3, 4.5, or 4.8 of this chapter. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes.
- (d) If the designating body adopts a resolution terminating a deduction under subsection (c), the designating body shall immediately mail a certified copy of the resolution to:
- (1) the property owner;
  - (2) the county auditor; and
  - (3) the county assessor.
- The county auditor shall remove the deduction from the tax duplicate and shall notify the county treasurer of the termination of the deduction. If the designating body's resolution is adopted after the county treasurer has mailed the statement required by IC 6-1.1-22-8.1, the county treasurer shall immediately mail the property owner a revised statement that reflects the termination of the deduction.
- (e) A property owner whose deduction is terminated by the designating body under this section may appeal the designating body's decision by filing a complaint in the office of the clerk of the circuit or superior court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner. An appeal under this subsection shall be promptly heard by the court without a jury and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the appeal and may confirm the action of the designating body or sustain the appeal. The judgment of the court is final and conclusive unless an appeal is taken as in other civil actions.
- (f) If an appeal under subsection (e) is pending, the taxes resulting from the termination of the deduction are not due until after the appeal is finally adjudicated and the termination of the deduction is finally determined.

*As added by P.L.14-1991, SEC.6. Amended by P.L.90-2002, SEC.124; P.L.256-2003, SEC.7; P.L.193-2005, SEC.5; P.L.154-2006, SEC.30; P.L.3-2008, SEC.37; P.L.146-2008, SEC.128..*

**-- END --**  
**-- Tax Abatement General Standards --**

**- ## -**

**What follows is for informational purposes only,  
and not intended for enactment as part of the General Standards.**

These procedures are provided for informational purposes to the City Council, but are not intended to be adopted into the General Standards of the program. They are the administrative procedures developed by the EDC and Department of ESD in order to carry out the provisions of the General Standards.

**Real Estate or Personal Property Tax Abatement  
Application Procedure and Review:**

1. **Pre-Application Meeting.** Prior to submittal of an application, persons interested in a tax abatement must schedule a pre-application meeting with the Department of Economic and Sustainability staff. Economic Development staff may invite other City staff, individuals or entities to this meeting, or consult with other City staff following the meeting, as appropriate.
2. **Submission of Application.** The property owner must submit to the Department of Economic & Sustainable Development the following:
  - a State of Indiana Statement of Benefits form (SB-1),
  - a completed City of Bloomington Tax Abatement Application Form,
  - other necessary documentation as required by the City, and
  - a \$100.00, non-refundable application fee,

The Application Form shall be obtained from the Department of Economic and Sustainable Development at the Pre-Application Meeting.

The SB-1 shall include:

- A. A description of the proposed redevelopment or rehabilitation.
  - B. An estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the redevelopment or rehabilitation and an estimate of the annual salaries of these individuals.
  - C. An estimate of the value of the redevelopment or rehabilitation.
3. **Staff Review and Recommendation.** Upon receipt of all necessary application documents as required by the City, the Department of Economic and Sustainable Development will initiate a Staff Review which may include review by the Planning Department for compliance with zoning, and also by the Legal Department, Historic Preservation staff and/or other City staff as appropriate.

Upon completion of necessary reviews by City staff, the Department of Economic and Sustainable Development staff will prepare a report to be presented to the appropriate designating bodies at subsequent meetings of those bodies. The report will include the Department of Economic and Sustainable Development recommendation for approval or disapproval of the designation of an Economic Revitalization Area (ERA) based upon criteria within the City's General Standards for Tax Abatement and according to Indiana Code.

The recommendation will also include the following:

1. Whether the property meets the statutory requirement for designation as an Economic Revitalization Area (ERA);
  2. Whether proposed development will require City expenditures;
  3. A recommended term of abatement (from one to up to ten years as allowed by law).
  4. Estimated yearly amount of property tax to be abated, as well as estimated amount of tax that will be paid by the new development over the course of the term of abatement;
  5. Whether granting of ERA would be in accordance with existing City policies;
  6. To what extent the proposed development meets any of the qualifying and evaluative criteria established in the “Project Eligibility” section of this document.
  7. A summary of findings of Planning, Legal, Historic Preservation and other City staff as appropriate.
4. **Review by Economic Development Commission and other City Commissions.** The Department of Economic and Sustainable Development shall present its report and recommendation, along with the Application and all supporting documents, to the Economic Development Commission and any other City commission as may be required by law. The Applicant shall receive notification of all pertinent meeting dates and should plan to attend.

The EDC shall review the SB-1, Application, any supplementary materials, and Staff Report and evaluate the project application according to the eligibility criteria set forth in the City’s Tax Abatement Program General Standards and Indiana Code. The Commission(s) shall then adopt a resolution recommending to the City of Bloomington Common Council approval or disapproval of the application, designation of the ERA and authorization of a tax abatement.

5. **Final Approval by Common Council.** The SB-1, the Application, and the Economic Development Commission resolution recommending approval or disapproval of the Economic Revitalization Area, along with other necessary reports and documents, shall be forwarded to the Council Office for placement upon the Council’s calendar.

The Council, at a subsequent Common Council committee meeting, shall review the SB-1, as well as supplemental materials providing information on project benefits unlisted in the SB-1, and shall determine whether an area should be designated an ERA and whether a deduction (tax abatement) should be allowed.

First, a declaratory resolution must be passed by the Council recommending designation of the area as an ERA. If the Council recommends designation of an ERA and approval thereof, the City Clerk shall:

- D. Certify a copy of the resolution and the application to the Monroe County Assessor and Auditor’s Office;

- E. Publish a legal notice to inform interested parties that the tax abatement application is available for inspection at the Assessor's Office;
- F. Set a meeting date, at which time the Common Council shall hear all remonstrance and objections to the area being designated an "Economic Revitalization Area".

Second, the Common Council shall hold the publicly noticed regular meeting and vote on a resolution confirming, modifying, or rescinding the earlier resolution recommending designation and approval.

- 6. Actions After Common Council Approval.** If the Common Council passes a resolution confirming the designation and tax abatement approval:
- C. The Applicant will sign a Memorandum of Agreement with the City of Bloomington, thereby agreeing to all terms set forth by the Common Council approval and as required by the City of Bloomington.
  - D. The City Clerk shall certify a copy of the confirming resolution and the application to the Applicant, the Monroe County Assessor and Auditor's Office.
- 7. Applicant Filing Procedures with the County Auditor.** Department of Economic & Sustainable Development staff will provide courtesy notice to the Applicant regarding necessary steps for filing with the County Auditor. After receipt of the Confirming Resolution, the Applicant is advised to consult with the County Auditor concerning the filing procedure required on the property after designation as an ERA (State of Indiana Form 322).
- 8. Compliance Procedures and Annual Review.** After filing of the abatement with the County Auditor, the Applicant is required to complete on a yearly basis the State of Indiana Compliance with Statement of Benefits Form (Form CF-1) and file this form with the County Auditor and with the City Clerk. Deadlines are set by State law and can be found on the CF-1 Form. Department of Economic & Sustainable Development staff will send courtesy reminders to property owners concerning the CF-1 filing requirements and any other requirements listed in the executed Memorandum of Agreement.

The CF-1 Form is used by the EDC and Common Council to review compliance with the benefits promised on the Statement of Benefits Form. Department of Economic & Sustainable Development staff will compile an annual review for presentation to the EDC and Common Council regarding all active abatements. If said CF-1 is not filed, the benefits promised are not materialized, or other terms of the Memorandum of Agreement are not fulfilled, the Council may find the property owner not in Substantial Compliance as described in the program's General Standards, and may act to rescind the remaining term of abatement, or enforce similar penalties as set forth in the Memorandum of Agreement.

CURRENT GUIDELINES

PLEASE KEEP FOR REFERENCE

TAX AGENT 3/28/96

## PROPERTY TAX ABATEMENT PROGRAM

City of Bloomington

Department of Redevelopment

Chris Spiek

Executive Director

October 1993

Phone 812/331-6401



City of Bloomington  
PROPERTY TAX ABATEMENT PROGRAM

Program Description:

Indiana Law (I.C. 6-1.1-12.1) allows a three (3), six (6), or ten (10) year abatement on the increased assessed valuation due to construction or rehabilitation improvement in areas of the city where development needs to be encouraged. This has the effect of substantially reducing the property taxes that would otherwise be paid on such improvements. Indiana law also allows a five or ten year deduction for any new manufacturing equipment installed before January 1, 1994. The equipment must be used in "the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property; and never before used by its owner for any purpose in Indiana."

Under this law the Bloomington Common Council designates specific properties of the city as "Economic Revitalization Areas". An Economic Revitalization Area must have "... become undesirable for or impossible of, normal development and occupancy," because of such factors as "cessation of growth, existence of sub-standard or obsolescent structures and deterioration of character of occupancy" for property, and "includes any area where a facility or a group of facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues" for new manufacturing equipment.

New construction or rehabilitation of existing buildings within designated Economic Revitalization Areas receive tax abatement through reduced assessed valuation on the improvements based on the following schedule. With respect to new construction, the City Council may choose to limit the dollar amount of the deduction that will be allowed.

(1) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%

(2) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%

6th 17%

(3) For deductions allowed over a ten (10) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	95%
3rd	80%
4th	65%
5th	50%
6th	40%
7th	30%
8th	20%
9th	10%
10th	5%

EQUIPMENT - For new Manufacturing Equipment installed within designated Economic Revitalization Areas, the deductions allowed are as follows:

YEAR OF DEDUCTION	5-Yr. PERCENTAGE	10-Yr. PERCENTAGE
1st	100%	100%
2nd	95%	95%
3rd	80%	90%
4th	65%	85%
5th	50%	80%
6th		70%
7th		55%
8th		40%
9th		30%
10th		25%

With respect to manufacturing equipment, the City Council may choose to limit the dollar amount of the deduction that will be allowed.

**Definitions:**

"Multi-family housing" means a building or buildings containing more than one dwelling unit, designed for occupancy by one household per dwelling unit, and in which the residents lease their dwelling unit from the owner of the building.

"Condominium housing" means a building or buildings organized as a condominium pursuant to the Indiana Horizontal Property Law, IC 32-1-6, and containing more than one dwelling unit, designed for occupancy by one household per dwelling unit, and in which the dwelling units are individually owned.

"Single family housing" means a building accommodating no

more than one dwelling unit, designed for occupancy by a single household.

**Project Eligibility:**

Decisions to designate areas as **Economic Revitalization Areas** are determined on a project-by-project basis for any project located within the corporate limits of the City of Bloomington. Each project is reviewed on its own merits and the effect of the project on the revitalization of the surrounding areas and employment is considered.

Tax Abatement will primarily be awarded in one of four geographic areas within the city which have been identified as areas which have suffered slow growth and deterioration of improvements in the Redevelopment Department's Community Development and Housing Plan. In assessing the revitalization needs of the areas, several goals and objectives were cited, including: to encourage retention of existing businesses and expand employment opportunities; to encourage the rehabilitation, preservation, and restoration of historic properties; to promote housing opportunities and economic development activities within the downtown; and to utilize vacant land for new development.

The four areas are the **Westside Area** bounded by 17th Street to the North, Rogers Street to the East, Grimes Lane on the South, and a course boundary of Walker Street, Adams Street and Spring Street on the West; the **Miller Drive Area** bounded by Henderson on the West, Hillside on the North, Maxwell on the East and Miller Drive and Short Street on the South; the **South Central Area** bounded by Second Street on the North, Walnut Street on the West, Vermilya to the South, and an irregular boundary of Fess, Henderson, Stull, and Park to the East. The fourth area **Downtown** is divided into **Subareas A, B, and C**, with the following boundaries.

**Subarea A** includes only the downtown business zoning district (BD zone).

**Subarea B** Area bounded by the following streets; Beginning at the southeast corner of Tenth and Rogers Sts., then east on Tenth St. to the north-south alley between Walnut and Washington Sts., then south along the alley to Eighth St., then east on Eight St. to Grant St., then south on Grant St. to Sixth St., then east on Sixth St. to Indiana Ave., then south on Indiana Ave. to Smith Ave., then west on Smith Ave. to the north-south alley between Dunn and Grant Sts., then south along the alley to Second St., then west on Second St. to Rogers St., then north on Rogers St. to Howe St., then east on Howe St. to Madison St., then on Madison to Third St., then west on Third St. to Rogers St., then north on Rogers St. to Tenth St. The Downtown Business (BD) zoning

district is excluded from this area.

**Subarea C** bounded as follows; The Prospect Hills area bounded by Rogers St. on the west, Howe St. on the south, Madison St. on the east, and third St. on the north. The University Courts area bounded by Tenth St. on the north, Indiana Ave on the east, and following Sixth St. west to Grant, then north on Grant to Eighth St., then west on Eighth St. to the north-south alley between Washington and Walnut, and then north along the alley to Tenth St. The south Dunn St. area bounded by Third St. on the north, Henderson St. on the east, Second St. on the south, and the north-south alley between Dunn and Grant Sts. on the west.

**GUIDELINES TO BE USED BY THE REDEVELOPMENT COMMISSION IN  
RECOMMENDING TERMS FOR TAX ABATEMENT**

	Downtown subarea A	Downtown subarea B	Downtown subarea C	Miller Drive South Central Westside	Other Areas of City
Single family or condominium housing in Economic Development Target Areas	10 Above first floor only	10	10	3	0
Multi-family housing 20% affordable housing	10 Above first floor only	10	0	3	0
Industry/Manufacturing	0	6	0	0	6
Industry/Manufacturing Equipment	0	5	0	0	5
Office space 5,000sq.ft. minimum	3	3	0	0	0
Retail in EDTA only	3	3	0	0	0
Hotel/Convention Center	10	10	0	0	0

A project may be upgraded (ex: from 0 to 3 years) or downgraded (ex: from 6 to 3 years) at the discretion of the reviewing bodies based on such factors as the following:

**Increase**

1. Well-compensated permanent jobs will be created for residents of the city. Compensation may include wages and benefits such as childcare.
2. If project is a housing development, at least 50% of the units will be set aside and be affordable (HUD Fair Market rent) for low to moderate income individuals. (50-80% area median income)
3. A historic building is rehabbed according to the Secretary of the Interior Standards.
4. Project provides a major public infrastructure improvement paid by the developer.
5. The project is located in the downtown area.
6. If the project is a housing development the units are handicap accessible, and/or the units are designed for occupancy by senior citizens.

#### Decrease

1. The density of the area is increased by the project, except in the Downtown areas.
2. Historic buildings are not rehabilitated according to the Secretary of the Interiors Standards. Determinations on rehab standards shall be made by the City Historic Preservation Officer, following the guidelines established by the Department of the Interior, and may be appealed to the local Historic Buildings and Study Commission.
3. Project requires major public infrastructure improvements requiring additional cost to the city.
4. Project is not consistent with long range plans for the area.

#### Ineligible Projects

Projects will not be considered if a building permit has already been obtained or construction has been initiated. This is because the decision of the Council to designate the Economic Revitalization Area must be based on the finding that the area is "undesirable for normal development."

Projects that involve the demolition or removal of structures listed on the local Historic Register, or eligible for individual listing on the National Historic Register, or that are contributing structures within a nationally or locally designated

historic district will not be considered for tax abatement. This is to encourage preservation of the cultural heritage of the community. Determinations on eligibility shall be made by the City Historic Preservation Officer, following the guidelines established by the Department of the Interior, and may be appealed to the local Historic Buildings and Study Commission.

The City Council has the right to void the tax abatement designation awarded to a project if the project has not been initiated within twelve (12) months of the reconfirmation date of the tax abatement resolution, or if the actual use is different than that approved.

Tax Abatement for the rehabilitation or development of real property is not eligible for the following types of facilities:

1. Private or commercial golf courses.
2. Country club.
3. Massage parlor.
4. Tennis club.
5. Skating facility (including roller skating, skateboarding, or ice skating).
6. Racquet sport facility (including any handball or racquetball court).
7. Hot tub facility.
8. Suntan facility.
9. Racetrack.
10. Any facility the primary purpose of which is:
  - a. retail food and beverage service;
  - b. automobile sales or service; or
  - c. other retail;unless the facility is located in an economic development target area as established by the Bloomington Economic Development Commission.
11. Residential, unless the facility is a multi-family facility that contains at least twenty percent (20%) of the units available for use by low and moderate income individuals or unless the facility is located in an economic development target area established under section 7 of Indiana statute (I.C. 6-1.1-12.1-7).

#### Application Review and Procedure

The application along with a \$100.00 application fee must be submitted by the property owner(s) to the Department of Redevelopment. The application fee is nonrefundable. The applicant should prepare a statement which provides the information requested on the attached application form.

The application is reviewed by the Planning Dept. for compliance with zoning regulations and processed by the Redevelopment staff, with a recommendation for approval or denial to the Redevelopment Commission based on the attached guideline chart. If applicable,

the application is also processed by the Legal Dept. staff, with a report to the Economic Development Commission who approve or deny designation as an Economic Development Target Area. The applicant should plan to attend the Redevelopment Commission meeting and if applicable the Economic Development Commission meeting.

The application is then submitted to the City Council for final approval and the applicant should plan to attend. The applicant does, however, have the right to proceed to the City Council for approval of the ERA even if the Redevelopment Commission denies the request except as provided in City Council resolution 85-15 which states Redevelopment approval is necessary for projects in the downtown tax increment finance (TIF) area before proceeding to City Council.

The Redevelopment Department shall prepare a written report on the application, which shall include:

1. Whether the property meets the statutory requirements for designation as an ERA;
2. If proposed development will require any City expenditures;
3. Estimated yearly amount of property tax to be abated, as well as estimated amount of tax that will be paid by the new development over the course of the term of abatement. Compare this to the taxes that would be generated by the property without the proposed development over the course of the term of abatement.
4. If granting of ERA would be in accordance with existing City policies.

The report shall contain a staff recommendation to the Redevelopment Commission for approval or disapproval of the designation including the term of the abatement. In determining the term of the abatement (3, 5, 6, or 10 years), the attached chart will be used as a guide.

#### **Redevelopment and Council Approval**

The Redevelopment Department shall present the application, map/plats, and report to the Redevelopment Commission for its consideration. The applicant shall receive notification of the Commission's next meeting date. The Redevelopment Commission shall recommend to the City of Bloomington Common Council approval or rejection of the application and the term of the abatement that should be granted.

1. The resolution of the Redevelopment Commission, accompanied with the application, map/plats, and the reports from the Planning and Redevelopment Departments shall be forwarded to the Common Council Office for the placement upon the Council's calendar.
2. The application will be reviewed at the next Common Council Committee meeting.
3. The Common Council will approve or disapprove the application submitted for the "Economic Revitalization Area" designation at the next following Common Council meeting. The Common Council will also designate the term of the abatement for three, five, six, or ten years as required by law. The approval shall be based on the applicants Statement of Benefits form (SB-1) which shall include:
  - A. A description of the proposed redevelopment or rehabilitation
  - B. An estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the redevelopment or rehabilitation and an estimate of the annual salaries of these individuals.
  - C. An estimate of the value of the redevelopment or rehabilitation.

The designating body shall review the statement of benefits and shall determine whether an area should be designated an economic revitalization area and whether a deduction should be allowed. This review shall be based on the following findings:

- A. Whether the estimate of the value of the redevelopment or rehabilitation is reasonable for projects of that nature.
- B. Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.
- C. Whether the estimate of the annual salaries of these individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.
- D. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described redevelopment or rehabilitation.
- E. Whether the totality of benefits is sufficient to justify the deduction.

The City Council may not designate an area an economic

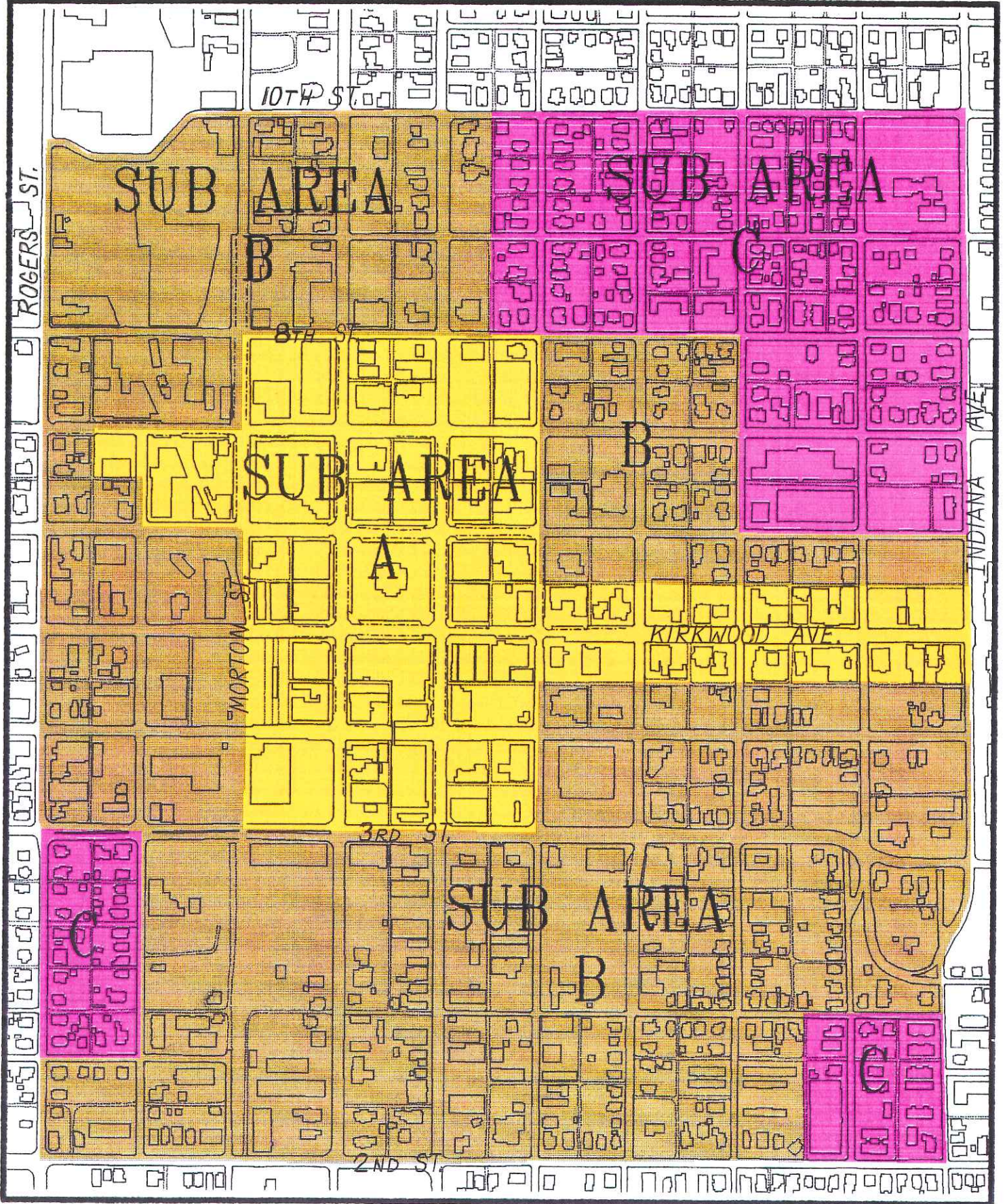


revitalization area or approve a deduction unless the findings listed above are made in the affirmative.

4. If the application is approved by the Common Council, the City Clerk shall:
  - A. Certify a copy of the resolution and the application to the Monroe County Assessor and Auditor's Office;
  - B. Publish a legal notice to inform interested parties that the tax abatement application is available for inspection at the Assessor's Office;
  - C. Set a meeting date, at which time the Common Council shall hear all remonstrances and objections to the area being designated an "Economic Revitalization Area".
5. The Common Council shall hold a regular meeting and vote on a resolution confirming, modifying, or rescinding the earlier approved resolution.

**ACTIONS AFTER COMMON COUNCIL APPROVAL**

1. Upon approval of the confirming resolution, the City Clerk shall certify a copy of the confirming resolution and the application to the Applicant, the Monroe County Assessor and Auditor's Office.
2. **AFTER RECEIPT OF THE CONFIRMING RESOLUTION, the APPLICANT IS ADVISED TO CONSULT WITH THE COUNTY AUDITOR CONCERNING THE APPLICATION PROCEDURE REQUIRED ON THE PROPERTY AFTER DESIGNATION AS AN ECONOMIC REVITALIZATION AREA.**  
(State of Indiana Form 322).
3. After filing of the abatement with the County Auditor the applicant is required to complete on a yearly basis a Compliance with Statement of Benefits Form (Form CF-1) with the County Auditor and with the City Council. For real estate this form is required to be filed within 60 days after the end of each year in which the deduction is applicable. For machinery the form must be filed along with Form 322 ERA/PP between March 1 and May 15 of each year.
4. The Compliance with Statement of Benefits Form is used by the designating body to review compliance with the benefits promised on the Statement of Benefits Form. If said Compliance Form is not filed, or the benefits promised are not materialized the designating body may rescind the remaining term of abatement.



SUB AREA

SUB AREA

SUB AREA

SUB AREA

ROGERS ST.

10TH ST.

8TH ST.

MORTON ST.

KIRKWOOD AVE.

INDIANA AVE.

3RD ST.

2ND ST.

OUTLINE OF STEPS FOR  
PROPERTY TAX ABATEMENT  
CITY OF BLOOMINGTON

1. Applicant applies to Redevelopment Department for property tax abatement. If application requires Economic Development Commission approval as an Economic Development Target Area this request is filed by applicant with the Legal Department. In addition applicant must submit plans to the Planning Dept. for review of zoning, building, and right of way compliance.

If plans require approval of a regulating board, commission, or council in order to be in compliance, applicant may need to do one or more of the following:

- A. Applicant files a petition with the Board of Public Works for an agreement by the Board not to sue over a right of way encroachment.
  - B. Applicant files for a variance either for the terms of use or use with the Board of Zoning Appeals.
  - C. Applicant files with the Plan Commission for site plan or subdivision approval.
  - D. Applicant files with the Plan Commission and common Council a request for rezoning.
  - E. Applicant files a petition with the Common Council to vacate an alley or street.
2. Upon receiving the necessary change or approval from the designated body, the Redevelopment Commission reviews application for designation as an Economic Revitalization Area and makes recommendation to City of Bloomington Common Council. If applicable, Economic Development Commission reviews application for designation as an Economic Development Target Area and makes recommendation to City of Bloomington Common Council.

In cases where approvals by the Board of Works, Plan Commission, Board of Zoning Appeals, or Common Council are required, the applicant may proceed with the request for ERA and/or EDTA designation before applying for the necessary approvals. In these cases the staff of the Board or Commission shall issue a report on the proposed development to the Redevelopment Commission, Economic Development Commission, and/or Common Council. This report shall contain the staffs' analysis of the request and the staffs' recommendation as to the merits of the proposal.

In these cases the Common Council shall not consider approval of the confirming resolution until the development

has been approved by the applicable Board, Commission, or Council.

3. Common Council approves or disapproves designation as an Economic Revitalization Area and term (3, 5, 6, or 10 years) of the tax abatement. If applicable, Common Council also approves or disapproves designation as an Economic Revitalization Target Area.
4. A. City Clerk sends certified copy of the Council's resolution to the Monroe County Assessor and Auditor.  
B. Meeting date is set for Common Council to hear all remonstrances and objections to Economic Revitalization Area.
5. Council meets to confirm, modify, or rescind earlier resolution.
6. City Clerk sends certified copy of confirming resolution and application to Monroe County Assessor and Auditor.
7. **APPLICANT** consults with County Auditor concerning the procedure **AFTER** the property is designated as an Economic Revitalization Area. This last step is very **IMPORTANT**. Your Tax Abatement **WILL NOT** take effect if you do not file the appropriate forms with the County Auditor.

CITY OF BLOOMINGTON

APPLICATION

PROPERTY TAX ABATEMENT PROGRAM

Provide the following information on a separate sheet and attach it to this application form.

1. OWNERSHIP:

- A. List full name, address and telephone number of each owner of the property.
- B. List the percentage ownership of each owner if more than one owner.
- C. If owner is a partnership, list the name, address, and telephone number of each general and/or limited partner and the percentage of interest in the property held by each general and/or limited partner.
- D. If owner is a corporation, list the name, address, and telephone number of all officers.

2. PROPERTY DESCRIPTION:

- A. Give street address, lot number and dimensions.
- B. Attach legal description of property to the application.

3. CURRENT STATUS OF PROPERTY:

- A. State current zoning designation and if applicable, describe any anticipated zoning changes.
- B. Describe current improvements to the property, including age of building(s).
- C. Describe the current use of the property, including the names of businesses currently operating and the current number of jobs.
- D. Give estimate of current market value of land and improvements; separately list the current assessed valuation and property tax assessment on land and buildings.
- E. Describe any unique historical structure or aesthetic improvements.

4. PROPOSED IMPROVEMENTS:

- A. Describe proposed improvements and projected costs.
- B. Include sketch of finished project, if available.
- C. List any public improvements and costs that will be

necessary.

- D. List the probable start/completion dates of the project.
- E. List the type and number of jobs that will be retained or created by the project.
- F. Describe any beneficial or detrimental economic effect (other than jobs) that the proposed project will likely have on the City.

5. ELIGIBILITY:

- A. State reasons why the project site qualifies as an Economic Revitalization Area as defined under State Law ("lack of development, -cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings or other factors which have impaired values or prevent a normal development or property or use of property." In the case of manufacturing equipment, "any area where a facility or a group of facilities that are technologically, economically, or energy obsolete are located and where the obsolescent may lead to a decline in employment and tax revenues.")
- B. State the estimated number of new employees and employees retained as a result of the project. Also include salaries and a description of employee benefits.
- C. Complete and submit the attached Statement of Benefits form with narrative application.

I hereby certify that the representations made in this application are true and I understand that if the above improvements are not commenced (defined as obtaining a building permit and actual start of construction) within 12 months of the date of the designation of the above area as an Economic Revitalization Area, the Bloomington Common Council shall have the right to void such designation.

OWNER

DATE

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\*All owners must sign; all general partners must sign; the president of the corporation must sign.

Please submit this Application along with a non-refundable fee of \$100.00. Checks should be made out to the City of Bloomington.

Redevelopment Department  
220 East Third Street  
Bloomington, Indiana 47402  
(812) 331-6401



# STATEMENT OF BENEFITS

State Form 27167 (R3 / 11-91)

Form SB - 1 is prescribed by the State Board of Tax Commissioners, 1989

The records in this series are CONFIDENTIAL according to IC 6-1.1-35-9

**FORM  
SB - 1**

### INSTRUCTIONS:

1. This statement must be submitted to the body designating the economic revitalization area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment, or **BEFORE** the redevelopment or rehabilitation of real property to which the person wishes to claim a deduction. A statement of benefits is not required if the area was designated an ERA prior to July 1, 1987 and the "project" was planned and committed to by the applicant, and approved by the designating body, prior to that date. "Projects" planned or committed to after July 1, 1987 and areas designated after July 1, 1987 require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
2. Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation or prior to installation of the new manufacturing equipment, **BEFORE** a deduction may be approved.
3. To obtain a deduction, Form 322 ERA, Real Estate Improvements and / or Form 322 ERA / PP, New Machinery, must be filed with the county auditor. With respect to real property, Form 322 ERA must be filed by the later of: (1) May 10; or (2) thirty (30) days after a notice of increase in real property assessment is received from the township assessor. Form 322 ERA / PP must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment is installed, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and June 14 of that year.
4. Property owners whose Statement of Benefits was approved after July 1, 1991 must submit Form CF - 1 annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)

## SECTION 1 TAXPAYER INFORMATION

Name of taxpayer	
Address of taxpayer (street and number, city, state and ZIP code)	
Name of contact person	Telephone number ( )

## SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body	Resolution number
Location of property	County
	Taxing district
Description of real property improvements and / or new manufacturing equipment to be acquired (use additional sheets if necessary)	Estimated starting date
	Estimated completion date

## SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number	Salaries	Number retained	Salaries	Number additional	Salaries

## SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	Real Estate Improvements		Machinery	
	Cost	Assessed Value	Cost	Assessed Value
Current values				
Plus estimated values of proposed project				
Less values of any property being replaced				
Net estimated values upon completion of project				

## SECTION 5 OTHER BENEFITS PROMISED BY THE TAXPAYER

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## SECTION 6 TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true.		
Signature of authorized representative	Title	Date signed (month, day, year)



**FOR USE OF THE DESIGNATING BODY**

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

- A. The designated area has been limited to a period of time not to exceed \_\_\_\_\_ calendar years \* (see below). The date this designation expires is \_\_\_\_\_.
- B. The type of deduction that is allowed in the designated area is limited to:
1. Redevelopment or rehabilitation of real estate improvements;  Yes  No
  2. Installation of new manufacturing equipment;  Yes  No
  3. Residentially distressed areas  Yes  No
- C. The amount of deduction applicable for new manufacturing equipment installed and first claimed eligible for deduction after July 1, 1987, is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_.
- D. The amount of deduction applicable to redevelopment or rehabilitation in an area designated after September 1, 1988 is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_.
- E. Other limitations or conditions (specify) \_\_\_\_\_
- F. The deduction for new manufacturing equipment installed and first claimed eligible for deduction after July 1, 1991 is allowed for:  
 5 years  10 years

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved: (signature and title of authorized member)	Telephone number  (     )	Date signed (month, day, year)
Attested by:	Designated body	

\* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4 or 4.5 Namely: (see tables below)

NEW MANUFACTURING EQUIPMENT		
For Deductions Allowed Over A Period Of:		
Year of Deduction	Five (5) Year Percentage	Ten (10) Year Percentage
1st	100%	100%
2nd	95%	95%
3rd	80%	90%
4th	65%	85%
5th	50%	80%
6th		70%
7th		55%
8th		40%
9th		30%
10th		25%

REDEVELOPMENT OR REHABILITATION OF REAL PROPERTY IMPROVEMENT			
For Deductions Allowed Over A Period Of:			
Year of Deduction	Three (3) Year Deduction	Six (6) Year Deduction	Ten (10) Year Deduction
1st	100%	100%	100%
2nd	66%	85%	95%
3rd	33%	66%	80%
4th		50%	65%
5th		34%	50%
6th		17%	40%
7th			30%
8th			20%
9th			10%
10th			5%